

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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IN THE MATTER OF:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF)	CASE NO. 6602-DD
EQUITABLE GAS COMPANY)	

O R D E R

On December 8, 1976, the Commission issued its Order in Case No. 6602, approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On February 10, 1986, Equitable Gas Company ("Equitable") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective February 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Equitable's notice of February 10, 1986, set out certain revisions in rates which Equitable proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$142,832 or 27.97 cents per Mcf.

(2) Kentucky West filed an application for decreased rates to become effective February 1, 1986, with the Federal Energy Regulatory Commission. Equitable requested an effective date of March 1, 1986; the effective date should be the effective date from its supplier, February 1, 1986.

(3) Equitable should report to the Commission any excess revenues collected from February 1, 1986, to the date of this Order, along with a plan to refund excess revenues to its customers.

(4) Equitable should submit copies of each gas purchase contract and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of gas supply. Any changes in the documents, including price escalations or any new agreements entered into after the initial submission, should be submitted at the time they are entered into. Where gas is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts should be noted and Equitable should explain and justify them in writing.

(5) Equitable's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 6602 dated December 8, 1976, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1986.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1986.

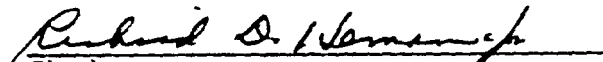
(2) Within 30 days from the date of this Order Equitable shall file with this Commission any excess revenues collected and a refund plan.

(3) Within 20 days of the date of this Order Equitable shall supply the contract information requested herein and comply with all provisions of that request.

(4) Within 30 days of the date of this Order Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of February, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 6602-DD DATED 2/24/86

The following rates and charges are prescribed for the customers served by Equitable Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES: Monthly

First	2 Mcf	\$3.1824 per Mcf
Next	18 Mcf	2.9974 per Mcf
Next	30 Mcf	2.9424 per Mcf
Next	50 Mcf	2.8924 per Mcf
All Over	100 Mcf	2.8424 per Mcf

The minimum bill shall be \$1.80.

The above rates include the following refund factor:

\$0.0060 per Mcf to discharge refund from Order in Case No.
6602-CC.

The base rate for the future application of the purchased gas adjustment clause of Equitable Gas Company shall be:

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$2.7276/dth*

*Includes \$0.0135 Gas Research Institute Funding Charge.